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February 7, 1958

MEMORANDUM

SUBJECT: Discussion at the 354th Meeting  
 of the National Security Council,  
 Thursday, February 6, 1958

EYES ONLY

The following were present at the 354th Council meeting: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Director, Bureau of the Budget; the Special Assistant to the President for Atomic Energy; the Deputy Secretary of Defense; General Thomas D. White for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for Foreign Economic Policy, for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; the White House Staff Secretary; Assistant Secretary of State Smith; Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. REPORT BY THE SECRETARY OF STATE ON HIS RECENT TRIP TO  
 THE NEAR EAST

Secretary Dulles stated that the Baghdad Pact meeting had been satisfactory. While it had been shaky at the start, we had ended stronger than we began. If the United States had not undertaken a very active part in the proceedings and accepted a very positive role, the whole thing would have fallen apart. Secretary Dulles said he had cut out all references to the role of the United States as an observer at the meeting and, indeed, had taken a stronger part than had ever before been played by the United States. He had pointed out to the Pact members that the commitments of the United States were at least as strong as the commitments of the Pact members themselves. He had emphasized the Eisenhower Doctrine as the chief raison d'etre of our presence there. These points of view had been well received by the other delegates.

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E.O. 11356, SEC. 3.4 (b)

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- b. Agreed that the Council on Foreign Economic Policy should review U. S. policy with respect to COCOM controls, in the light of the U. K. position mentioned in a above; reporting to the National Security Council in time for Council consideration not later than March 1, 1958.

NOTE: The action in b above, as approved by the President, subsequently transmitted to the Chairman, CFEP, for appropriate implementation.

4. U. S. POLICY TOWARD GERMANY

(NSC 160/1; Supplement to NSC 160/1; Annex to NSC 160/1; NSC 5404/1; NSC 5608/1; NSC Actions Nos. 1664 and 1764; NIE 23-57; NSC 5727; Memos for NSC from Executive Secretary, same subject, dated December 20, 1957, and January 2 and 24, 1958)

General Cutler briefed the Council on the contents of the new German policy, in very great detail. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.) At the conclusion of his briefing, General Cutler called attention to the split views on paragraph 44, reading as follows:

"44. Although it is not now propitious for the United States to advance major alternatives toward achieving German unification, such as neutralization, the United States should give continuing consideration to the development of such alternatives (which may be later required by developments in either West Germany or the USSR or both) with a view to the long-run solution of the unification problem.

\* Supported by Treasury, Budget and ODM."

General Cutler discussed at length the controversy in the Planning Board with respect to paragraph 44, and also pointed out the views of the Joint Chiefs of Staff against inclusion of this paragraph. He then called on Secretary Dulles.

Secretary Dulles began by stating his opinion that with respect to Germany the policies of the United States and of the Soviet Union have something in common--namely, that it was not safe to have a unified Germany in the heart of Europe unless there were some measure of external control which could prevent the Germans from doing a third time what they had done in 1914 and in 1939. Secretary Dulles insisted that the Soviet Union would never accept an independent, neutralized Germany in the heart of Europe. He added that he was convinced of this fact from many private conversations with Soviet leaders, who had made it quite clear that

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they would never agree to the creation of a unified Germany unless it were controlled by the USSR. Nor, on the other hand, should the United States accept a unified Germany except as part of an integrated Western European community. We simply could not contemplate re-unifying Germany and then turning it loose to exercise its tremendous potentialities in Central Europe. Accordingly, we should get rid, once and for all, of the idea that the re-unification of Germany is in and by itself an objective of U. S. policy. Everything depended on the context in which Germany was re-unified, because you could not neutralize a great power like Germany permanently.

After paying tribute to the formidable capabilities and energies of the Germans and their extraordinary comeback from the devastation at the end of the war, Secretary Dulles again warned that we could not close our eyes to the fact that this great power must be brought under some kind of external control. The world could not risk another repetition of unlimited power loosed on the world.

Summing up, Secretary Dulles stated that we should not accept re-unification of Germany as a goal under any and all conditions. It would be obviously disastrous to accept re-unification on the Soviet terms. But it would also be bad to accept it without any external limitation. We must therefore be flexible as to the terms on which we would find re-unification acceptable, and to do our best to keep the Germans happy until we have achieved a suitable re-unification of Germany.

General Cutler pointed out that the policy paper as written carries out exactly what Secretary Dulles had been arguing for. Paragraph 44, with its suggestion that the United States should study alternatives toward achieving German re-unification, was a long-term matter. It was looking ahead to a situation in which, as a result either of German internal policy or some move by the Russians, U. S. forces were kicked out of Germany.

Secretary Dulles replied by stating his strong objections to the idea that the United States would accept neutralization if it could thereby achieve a unified Germany. The point of the matter was that the Germans would never stay neutral. They will either go with the West or go with the East or play off the one against the other, which could put us in a very serious situation. Secretary Dulles added that the possibility of a neutralized and unified Germany had been explored in the State Department over a very long time, and the verdict was that the State Department was opposed to it. It would not help much to explore the matter all over again, as suggested in paragraph 44.

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When asked for his views by General Cutler, General White (for the Chairman, Joint Chiefs of Staff) expressed support for the views of Secretary Dulles, and reiterated the position of the Joint Chiefs of Staff in opposition to the inclusion of paragraph 44.

General Cutler argued with Secretary Dulles, pointing out that the United Kingdom and France seemed quite capable of playing a unilateral game with the Germans, and he could not understand why the United States did not seem capable of looking ahead in order to try to determine what we were going to do when Adenauer disappeared and we might find our forces asked to leave Germany.

The President pointed out that if the Socialists did come into power in Germany, we might have to put even more U. S. forces in that country. He added with emphasis that he agreed with all that the Secretary of State had said on the problem of German unification and neutralization. In point of fact, the President added, neutralizing Germany would amount to nothing more than communizing Germany.

Mr. George Allen said he wanted to remind the Council that the most significant single motivation in German public opinion was for the unification of that country. If the Soviets play up to this sentiment and agree to a neutralized Germany, Mr. Allen felt that the Germans would quickly buy such a proposal and give all the credit to the Soviet Union for re-uniting their divided country. We would be faced with a terrible force if Soviet Russia and Germany joined together.

The President replied to Mr. Allen by expressing firmly the opinion that if Germany were neutralized it would be a Germany taken over completely by the Soviets. Mr. Allen expressed agreement with the President's view, and said that he was not arguing for the neutralization of Germany, but rather for a re-armed Germany favorably disposed to the United States and to the West.

The President went on to say that in his view the way to handle the German problem was to build up NATO and Germany within it. Germany would be attracted to remain in a strong NATO. Furthermore, the building up of NATO would perhaps encourage the satellites to throw off the Russian yoke. In short, the building up of the Western European community was, in the President's view, the best possible guarantee of world peace.

After General Cutler had called the Council's attention to certain salient features of the Financial Appendix, the President turned to Secretary Dulles and asked if he could give a clear reason as to why the Germans had dragged their feet so in the field of re-armament. Secretary Dulles replied that he supposed it stemmed

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from the reluctance of many Germans, in view of what had happened to them in the last war, to risk seeing Germany remilitarized. Also, there had been a very high degree of industrial activity in recent years, and full employment in Germany. Neither employers nor employees wanted to sacrifice this prosperity by going into the military service. Secretary Anderson added that the Germans also feared inflation if their re-armament programs proceeded too rapidly.

The National Security Council:

a. Discussed the draft statement of policy on the subject, together with Supplements I and II thereto, contained in NSC 5727; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memoranda of December 20, 1957, and January 24, 1958.

b. Adopted the statement of U. S. Policy on Germany in pages 1-27 of NSC 5727, subject to the following amendments:

Pages 26-27, paragraph 44: Include the bracketed paragraph 44, deleting the phrase "such as neutralization," and the footnote thereto.

c. Recommended that the President reaffirm the statements of policy set forth in Supplement I ("U. S. Policy on Berlin") and Supplement II ("U. S. Policy Toward East Germany") to NSC 5727, and the Supplementary Statement of Policy in the special limited-distribution Annex to NSC 160/1; with the understanding that, when the NSC Planning Board subsequently reviews U. S. Policy Toward the Soviet Satellites in Eastern Europe (NSC 5608/1), it will consider, in the light of such review, whether to recommend any changes in Supplement II.

NOTE: NSC 5727, as amended by the action in b above, subsequently approved, and the statements of policy in Supplements I and II thereto reaffirmed, by the President; circulated as NSC 5803 for implementation by all appropriate Executive departments and agencies of the U. S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

As recommended in c above, the Annex to NSC 160/1 subsequently reaffirmed by the President; reissued as a special limited-distribution Annex to NSC 5803; and circulated for implementation by all appropriate Executive departments and agencies of the U. S. Government.

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NOTE (Continued)

The President also directed that the Departments of State and Defense and the Joint Chiefs of Staff jointly make the continuing study required by paragraph 44 of NSC 5803, reporting the results of such study to the Council, through the NSC Planning Board, as appropriate and prior to July, 1958.

5. U. S. SCIENTIFIC SATELLITE PROGRAM  
(NSC 5520; NSC Actions Nos. 1656, 1713 and 1846)

General Cutler introduced the subject, and asked Secretary Quarles to make his report. The President, however, turned to Secretary Quarles and said he assumed the latter's report to the Council would have in it very little classified information. If this were the case, he thought Secretary Quarles should make his report to the whole Cabinet rather than to the National Security Council, because all the members of the Cabinet were eager to hear this report. Secretary Quarles replied that nothing he had proposed to say would be inappropriate for the Cabinet to hear.

The President then spoke briefly of the proposals which Dr. Killian was preparing. Dr. Killian in turn pointed out that there were alternative programs for launching our earth satellites if Project VANGUARD should prove a failure, and he believed that these alternatives were likely to be successful.

The President then inquired whether we were planning missiles that would either launch much larger satellites or reach to the moon. In reply, Secretary Quarles briefly enumerated the various engines with thrusts of between 300,000 pounds and a million pounds.

The National Security Council:

- a. Noted that, at the President's request, the report by the Deputy Secretary of Defense on the orbiting of the U. S. satellite "Explorer", and comments thereon by the Special Assistant to the President for Science and Technology, would be presented at the next meeting of the Cabinet instead of to the National Security Council.
- b. Noted that, at the President's direction, the Special Assistant to the President for Science and Technology would submit to the Council early in March his recommendations as to legitimate U. S. objectives with respect to space exploration and science; and that this

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